

July 1, 2007 – June 30, 2008
CONSOLIDATED PLAN FOR
MONTGOMERY COUNTY, MARYLAND
Executive Summary

Background

This Plan sets forth overall needs for community and economic development, including affordable and supportive housing; it also identifies the needs of special populations, such as the homeless and persons with disabilities. The Consolidated Plan provides a comprehensive strategy for addressing identified needs that relies on both public and private resources and participation by and coordination with all interested parties, with an emphasis on citizen input. A federally-approved plan is required of all states and local jurisdictions entitled to receive federal funds under the following programs:

Community Development Block Grant (CDBG)
Emergency Shelter Grant (ESG)
HOME Investment Partnership (HOME)
Housing Opportunities for Persons with Aids (HOPWA)

This Action Plan specifically identifies how funds received for the year will be spent to meet the priority needs identified in the Consolidated Plan.

For the fiscal year July 1, 2007 - June 30, 2008, Montgomery County has been notified by Housing and Urban Development (HUD), that upon approval of its Consolidated Plan/Annual Action Plan, it is eligible to receive the following amounts:

CDBG	\$6,382,662 (includes program income)
Home	\$2,863,177 (includes program income)
ESG	\$ 226,596

As for HOPWA, the program was established by HUD to address the specific housing and service needs of persons living with HIV/AIDS and their families. The City of Frederick is the FY07 HOPWA grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division. The grant award for FY06 is \$524,000. It is estimated that \$452,000 in HOPWA funds for Montgomery County will be available during Fiscal Year 2007 to serve 40 households in Montgomery County with tenant based rental assistance and case management. As of July 1, 2007, Frederick County will receive \$118,664 and Montgomery County expects to receive approximately \$700,000 (which is “level funding”) in Ryan White (Part B, formerly Title II) and State funds from the Maryland AIDS Administration for HIV services. Such funds help provide home and community-based health care and HIV/AIDS support services, pharmacy support through the AIDS Drug Assistance Program, and medical care.

HOPWA formula funds will assist in the provision of tenant-based rental assistance to eligible, low-income persons that are not being addressed by other public and private resources. With the demand for affordable housing in the Metropolitan Division far outstripping the supply of affordable units, this tenant-based rental assistance meets an urgent need.

In addition, low-income Montgomery County residents with HIV/AIDS who receive HOPWA assistance receive case management services through the Department of Health and Human Services. These individuals are linked with local providers who support their social service needs, which may include medical care, addiction services/treatment, referrals for counseling, emergency financial assistance, home health care aide services, and assistance with rent, moving, utility, and other expenses.

In order for local agencies to receive funding under certain competitive programs, such as those for supportive housing, the county must have an approved Consolidated Plan in place and the applications for funding under these programs must be consistent with the needs and priorities identified in the Plan.

Generally, the county will apply for, or support applications for funding from other sources that address priority needs. The level of support will be contingent on an evaluation of all direct and indirect costs to the county, including the need to commit county resources to meet any matching or cash contribution required as a condition of funding.

Development Process

The Department of Housing and Community Affairs (DHCA) is the lead agency responsible for the submission of the Consolidated Plan to HUD. The Plan is to be delivered to HUD by May 15, 2007. Montgomery County residents are afforded many opportunities to express their views and opinions, identify priority needs and discuss gaps in service delivery. Volunteer boards and commissions provide community input in all aspects of public policy and administration. DHCA facilitates an annual public hearing to solicit comments from residents concerning community development needs, with residents provided further opportunity for comment at public hearings held by the County Council in conjunction with annual approval of the budget. While DHCA provides residents with an opportunity to comment on the draft Consolidated Plan, staff also incorporates public input provided through issue-orientated forums and town meetings not directly related to the development of the Consolidated Plan. For example, the County Executive and County Council hold joint public meetings in various locations around the county to listen to resident concerns. Other county departments hold community forums or conduct studies to obtain input in specific policy or program areas, such as services for special populations like the homeless and persons with disabilities or initiatives in the areas of recreation, economic development or commercial revitalization. For example, persons representing some thirty organizations worked on the development of a Continuum of Care for assistance to the homeless. Finally, to ensure a regional perspective regarding a variety of issues including transportation, affordable housing, fair housing and the homeless, the county actively participates in the Council of Governments (COG) as a means of furthering inter-jurisdictional cooperation.

The Consolidated Plan relies, in part, on software that allowed the county to create many of the graphics that are included in this document. In an attempt to make this document available for review/comment by as many interested individuals/groups as possible, draft copies were placed in regional government centers with the public being informed by local newspaper advertisements (copy included in the report) of the availability of the document and the opportunity to comment on it prior to final submission. The newspaper ads also noted that the document was available on the County's website at:

<http://www.montgomerycountymd.gov/housing> community affairs

Administration

The Department of Housing and Community Affairs (DHCA) is the lead county agency responsible for submission of the Consolidated Plan and Annual Action Plan to HUD for receipt of CDBG, ESG, and HOME funds and has been responsible for administration of the funds as well. In conjunction with the implementation of the Consolidated Plan, the Office of Human Rights (OHR) is the lead county agency responsible for directing activities to further fair housing.

The Housing Opportunities for Persons with Aids (HOPWA) program is administered regionally. Montgomery County is now part of the newly created Bethesda-Frederick-Gaithersburg Division, which consists of Frederick and Montgomery Counties.

Eligible Activities

A wide variety of activities that principally benefit Montgomery County's low and moderate income residents, as defined later in this document, are eligible for funds through these programs. While programs may target resources to specific populations such as the homeless (ESG) or persons with HIV/AIDS (HOPWA) or activities such as housing (HOME), the overall goal is community improvement, including not only housing-related activities but public facilities and services and expansion of economic opportunities. Activities proposed to be undertaken with CDBG, ESG, HOME, and HOPWA funds are outlined in detail later in this document. A summary of activities proposed to be undertaken is provided later in this document.

Housing

The Housing Policy for Montgomery County, *Montgomery County: The Place to Call Home*, identifies a number of important goals to provide a range of affordable housing resources throughout the county to meet the needs of the county's diverse population.

Goals

These include:

1. Renovating distressed properties;
2. Preserving housing that could be lost to the affordable housing stock;
3. Serving a diversity of county residents -including those with special needs;

4. Helping to create mixed-income communities;
5. Making sure that housing programs build neighborhoods and not just housing units;
6. Creating new housing opportunities; and,
7. Working toward an equitable distribution of affordable housing units.

Strategies

Highlight: Beginning in Fiscal Year 2004, the locally created and controlled Housing Initiative Fund (HIF) is receiving a dedicated source of revenue. Each year, the fund will receive 2.5 percent of General Fund property taxes or \$16.1 million, whichever is greater. Having a local, dedicated source of revenue provides a steady stream of capital to assist in achieving housing goals. The flexibility of this fund allows the county to create housing opportunities county-wide.

Strategies include:

1. Provision of a dedicated source of local funding for acquisition, rehabilitation, new construction and preservation of affordable housing;
2. Leverage of county funding to the greatest extent possible to meet affordable housing needs;
3. Continued support for service-related programs that enables affordable housing developments to better serve their residents;
4. Continued support for housing code enforcement;
5. Continued support for the Moderately Priced Dwelling Unit program;
6. Continued support for eviction prevention and rental assistance;
7. Enhanced data collection and coordination among county agencies;
8. Continued support for housing-related educational efforts;
9. Continued support for fair housing to ensure equal housing opportunity for all; and,
10. Implement the Continuum of Care for assistance to the homeless.

Housing and Market Analysis

Montgomery County has a well-deserved reputation as an attractive, desirable place in which to live, with excellent schools, efficient government services, good parks and recreation facilities, and low unemployment. To a large extent, these assets are the result of significant economic growth over the past 30 years. Employment in the county is split between the private and public sectors on a four to one basis, with the most recent job growth in the private sector. This growth has been primarily in the technology and service areas. Montgomery County is the largest jurisdiction in the State of Maryland.

Montgomery County's estimated 2005 household population of 941,000 is generally comfortable and well housed. In spite of all these positive attributes, the county faces a growing challenge in providing a balanced housing supply for all its residents and in maintaining the existing housing stock.

Of note is emphasis on the following efforts:

Expanding **home ownership** through the use of a down payment assistance program for first-time home buyers;

Preserving older **affordable housing units**, and accessibility where feasible, through code enforcement and rehabilitation efforts, with an emphasis on a neighborhood focus. It should be noted that Montgomery County, in addition to working in targeted areas, continues to operate its housing rehabilitation program county-wide to serve all eligible residents; and,

Expanding economic development opportunities through business revitalization efforts in Silver Spring, in South Silver Spring, and through a commercial improvement program targeted to owners of older commercial properties.

Housing Demand

In 1998, the median number of days a home was on the market was 111 days. In 2005 the number was reduced to 26.7 days. Single family homes grew in size to an average of 3,470 gross square feet in the period 2000-2004. This number is up from 2,352 gross square feet in the period 1978-1989.

In 1998, average turnover rents (unsubsidized) were \$726. The figure for 2004 was \$1,154 which represents an increase of 59%.

Population Characteristics

According to the Montgomery County Department of Park and Planning since 1989, Montgomery County has been the most populous jurisdiction in Maryland. At the time of the 2003 Census Update Survey, the county's estimated total population figure was 925,000, a 6 percent increase from the U.S. Census Bureau's April 2000 estimate of 873,341. Over one-fifth of the Washington, D.C. metropolitan population resides in Montgomery County. Nationally, Montgomery County falls in the top 45 counties ranked by total population.

In 2000, its ranking of 49th just cracked the top 50-population size list; thus, Montgomery County's population size is increasing relative to all other counties. One of the emerging trends of this decade is a marked increase in the county's population growth compared to the 1990s. The two leading contributors to the county's sustained population growth are the unflagging record level of births (the historic pace of more than 13,000 births per year is expected to continue at least until 2010), and the influx of new residents from other states and immigrants from other countries. Montgomery County has already gained almost 52,000 people since 2000, or approximately 15,900 people per year.

The Population Estimates Branch of the U.S. Census Bureau estimates 33,868 net international migrants moved to "gateway" Montgomery from April 2000 to July 2003. This is 46.7 percent of all immigrants that moved into Maryland during this period. In the state, the County's only rival as a magnet for international migrants is neighboring Prince George's County, which attracted fewer than half of Montgomery County's net immigrants during the same period. Only births (42,796 between 2000 and 2003) exceed international migration as a

component of the county's growth.

This trend toward increased diversity is expected to continue and is resulting in an increased need for outreach and services to these minority populations, many of which do not have English as their native language.

The maps on the following pages denote the distribution of African-Americans, Asians and Hispanics in Montgomery County based on an analysis of 2000 census update information. The Maryland National Park and Planning Commission is the source of all demographic data in this section of the report unless stated otherwise.

Housing Supply and Costs

In 2004, according to data from the Maryland National Park and Planning Commission there were 2.5 times more multi-family approvals than for single family units.

The median sales price for all types of single-family housing (attached, detached, new and existing) in 2006 was \$460,000.

In 2006, the median sales price for a single-family detached house was \$530,000 (resale) and \$775,200 (new).

In 2006, the average monthly rental cost for all apartment types was \$1,167. Efficiencies averaged \$931 and three bedrooms \$1,531.

There are currently 1,547 public housing units in Montgomery County.

Housing Tenure and Type

As noted by the Maryland National Capital Park and Planning Commission the recent national homeownership record high of 69 percent was sparked by economic revival in the United States and low mortgage interest rates. This national trend played out locally with homeownership in Montgomery County rising from 71.2 percent in 1997 to 77.3 percent in 2003. Of the county's 338,445 households in 2003, 7 out of 9 are owner occupied, the remainder, 22.7 percent, are rental units. Concomitantly, there is a marked jump in ownership across all racial groups in the county and in the nation since 1997. In Montgomery County, the greatest change is found among Black households, climbing from 43.3 percent home ownership in 1997 to 52.8 percent in 2003.

Montgomery County provides affordable housing through a variety of programs. Funding is available from federal, state and local government, nonprofit organizations and private sources. Financing mechanisms include bonds, tax credits and mortgage insurance. The Moderately Priced Dwelling Unit (MPDU) program is mandated by law but privately financed. Even with this effort there is not adequate affordable housing in the county and goals to meet the need have been set forth in the revised housing policy.

Household Size

Maryland National Capital Park and Planning Commission reports that after decades of declining average household size from 3.65 in 1960 to 2.62 in 1987, the trend bottomed out in the 1990s. The county's average household size showed an up-tick to 2.70 in 2003. The average household size of single-family homes crossed the 3-person mark (3.04) and multi-family units stayed just shy of 2 people (1.96). The increasing multi-family household size points to more families living in multi-family dwellings and the appeal of luxury condominiums to empty nesters (i.e., parents ages 45 to 64 that no longer have children living at home). Average household size reflects the household's life stage typically demarcated by the age of the household head. The largest average household size, 3.29, occurs in households where the householder is 35 to 44 years old, coinciding with the life stage when more children are present in the household. The large family size of this age group occurs in both single-family structures, averaging 3.68 persons per household, and multi-family households, at 2.35. For single-family householders 25 to 34 years old, the average household size increased from 2.87 in 1987 to 2.98 in 2003.

Characteristics of Montgomery County's current housing stock are summarized in the following table:

Number of Households
(July 2006 Research Center)

	Number	Percent
Total	350,000	100.0
Owner-occupied	260,005	74.3
Renter-occupied	89,995	25.7

In documenting the high housing cost facing residents, the 2000 U.S. Census reported Montgomery County as having the highest average homeownership and rental costs in Maryland. In 2003, the average monthly ownership cost (including principal, interest, taxes, and insurance) for homeowners is \$1,436; the most costly option, single-family detached houses average \$1,672 per month while garden condominiums averaging \$883 offer the most affordable ownership

choice. Average rental costs range from \$950 for garden apartments to \$1,541 for single-family detached houses – the overall average rental costs is \$1,060 in 2003. Since rental households typically have a lower median household income than homeowners (\$47,459 versus \$86,084, respectively), rental households are more likely to incur an excessive housing cost burden. Excessive housing burden is defined as a household spending more than 30 percent of its annual income on housing costs – either contract rent or mortgage costs. Only 14.1 percent of homeowners in 2003 report mortgage outlays exceeding 30 percent of income, compared to 37.7 percent incidence among renters who pay the same percentage of income for contract rent.

More than 16,000 housing units in Montgomery County receive some form of government assistance that results in below-market rents. In addition to subsidized housing developments, there are also unassisted housing developments and households able to locate housing in the private market made affordable through use of federal rental assistance. Currently, Montgomery County uses over \$100,000 in HOME funds for tenant-based rental assistance in conjunction with State Rental Allowance Program funds to assist approximately 40 households each year.

New Housing Production

The recession of the early 1990's slowed the rise in median home sales prices and depressed the real estate market in Montgomery County. In 1991, 1994 and 1996, the median sales price for new single-family detached units declined from the previous year. New single-family attached median sales prices also declined in 1991, 1993, 1996, and 1999.

New home completions in Montgomery County rose from 1995 to 1997, but declined in 1998 (rose again in 1999, declined 2000-2001, rose in 2002-2003 and declined again in 2004). However, they did not produce the number of new homes that the 1980's did. During the 1980's, Montgomery County averaged 5,540 new detached and attached single-family home completions a year. However, since 1993 the average has only been 4,100 completions per year.

Housing - Preservation/Rehabilitation

The housing stock is aging as the county is predominantly built out. This older housing stock is some of our most affordable and therefore needs to be maintained. This includes both owner and renter stock. These homes need not only rehabilitation but also preservation. Expiring subsidies and prepayments must be addressed. It is estimated that up to 1,050 project based Section 8 units could be lost in the next few years as a result of expiring subsidies and prepayments.

In addition, there have been changes in regulations. For example lead-based paint has become a critical issue that must be dealt with on a priority basis that will create pressure on limited budgets. It is estimated that to date in excess of \$1,000,000 of state and county funds have been committed to projects under contract for lead abatement. DHCA is currently testing pre-1978 structures for lead paint as required by HUD when using CDBG and HOME funds. The lead paint emphasis will increase the complexity and cost of future housing rehabilitation efforts.

Lead Hazards

The State of Maryland and Montgomery County continue to focus on identifying and correcting health risks created by the presence of lead in paint and water. Maryland has enacted Lead Laws based on primary prevention and has established a standard of care for lead hazard reduction that must be met at each rental turnover for residences built prior to 1950. There is a mandatory Lead Rental Registry for these properties and Full Risk Reduction Inspection Certificates for these properties are required.

Maryland has also established a Childhood Lead Screening Program to promote and provide lead poisoning screening of children in areas of highest risk. Maryland Department of Health and Mental Hygiene (DHMH) has collaborated widely with organizations including the University of Maryland, Maryland's Department of the Environment (MDOE), and the Lead Health Advisory Group and used Center for Disease Control (CDC) guidelines to develop a model for predicting areas of lead paint exposure risk. Four housing variables were found to be predictive, 1) percent of pre-1950 housing, 2) median housing value, 3) poverty index, and 4) percent of homes built between 1950 and 1980. This predictive model classifies census tracts into four levels of risk; high-, moderate-, low-, and negligible-risk (which are generically classified as "at risk") and negligible risk. In Montgomery County, zip codes 20912 and 20913 are "at risk," largely because a large percentage of these buildings were built prior to 1978.

To encourage registration in the Lead Rental Registry, in early March 2004, Montgomery County's Department of Housing and Community Affairs' Division of Housing and Code Enforcement notified all pre-1950 Multi-Family Dwelling owners in zip code 20912 (an area at-risk for lead paint exposure) that failure to register their properties with MDOE by July 1, 2004 would result in denial of their annual Rental Facility License.

The county also funds a program to assist owners of pre-1950 rental housing to test for and mitigate lead paint risks with Housing Initiative monies. Owners of eligible rental properties of 100 units or fewer can receive a \$75 per unit rebate for XRF paint testing. If lead is found, owners can apply for low interest rehabilitation loans to make necessary repairs.

In addition to testing residences, children are tested for possible exposure to lead paint. Montgomery County Department of Health and Human Services (DHHS) recently implemented a requirement that all children who reside, or have previously resided in both "at-risk" zip codes provide documentation from a health care provider that they have undergone blood lead level testing prior to entering a public pre-kindergarten, kindergarten program or first grade. DHHS then initiates various activities based on evidence of any elevated blood levels in these children.

Domestic water is increasingly being scrutinized as a potential source of lead exposure in Montgomery County. Washington Suburban Sanitary Commission (WSSC), the county's public water utility company, has periodically tested single family residences for the presence of lead in the drinking water. Results of these tests continue to be negative, although WSSC has recently expanded the frequency and size of the sampling as awareness of the potential problem has grown, suggesting the water main distribution system for the domestic water is not contaminated. WSSC only uses chlorine to pre-treat the water for bacteria. Water supplies in adjacent Washington, D.C., which uses chloramines to pre-treat the water, have revealed much higher and more pervasive lead contamination in the water. Preliminary research suggests the more corrosive chloramines cuts through the layer of sediment that forms inside the water main, exposing the water passing through to any lead components that may have been used during construction.

Unlike the county's residential water supply, recent tests at several of the public elementary schools in the "at risk" areas have disclosed unacceptable levels of lead at a number of the faucets. In response, students are prohibited from drinking water from any outlet other than specified fountains, which are flushed for 15 minutes every 4 hours while wider testing is being conducted. Remedial measures will be taken in response to the level of contamination such testing may reveal.

Needs Assessment

As part of the Consolidated Plan, all jurisdictions are required to identify priority community needs. Montgomery County has a long history of community involvement in government and currently has more active boards, committees and commissions appointed to advise the County Executive and members of the County Council in a variety of areas. Additionally, the County Executive and the County Council frequently hold community forums to hear from residents on topics of community concern and interest. In October, 2004, Montgomery County held a public hearing before the Community Development Advisory Committee to take testimony on community development needs specific to developing the Consolidated Plan. This hearing is just one of many opportunities provided for public input throughout the year.

In Montgomery County, priority needs are addressed through both the Capital and the Operating budgets. For Fiscal Years 2005- 2010, the capital budget identifies priority projects in the areas of education, transportation, economic development, infrastructure renovation/maintenance and public safety.

For Fiscal Years 2005- 2010, the County's Public Services Program preserves core services and increases commitment to education, transportation and public health and safety. There also continues to be a sustained commitment to affordable housing. Locally, the county is allocating more than \$17 million to the Housing Initiative Fund. Also, services are being enhanced to support the county's increasingly diverse population, including targeted health programs for the Asian and Latino communities and expanded interpreter and translation services throughout county government.

The FY05-10 Capital Improvements Program (CIP) Budget and the FY05-10 Public Service Program are incorporated herein by reference as a comprehensive presentation of needs and the county's priorities in addressing these needs.

Clearly, however, needs in the aggregate far outweigh available revenues. As the County Executive stated in transmitting his recommended FY05-10 Capital Improvements Program to the County Council: "The fiscal plan underlying my recommended CIP reflects continued erosion of state school construction aid, lower state aid estimates, and the urgent demands of the Operating Budget as we move through continued slow economic times."

As part of the Consolidated Plan planning process, all jurisdictions are required to identify priority needs. In identifying these needs for this program year, emphasis is being placed on the preservation of affordable housing units and economic development. The county is an active partner with the State of Maryland in a number of activities promoted through the State's Smart Growth Policy. This policy fosters economic vitality and improves the quality of life by maintaining and improving infrastructure and services in existing communities. The initiatives that have been undertaken under the Smart Growth Policy include, but are not limited to, Main Street Maryland, the Neighborhood Business Development Program, Enterprise Zones (businesses which locate in designated areas receive tax advantages) and Business Assistance and Permit Coordination. These programs offer the opportunity to leverage county funds. The state has made it clear that funding for economic development activity is available for use by the county in those areas designated as A Smart Growth Areas® in the map that follows.

Montgomery County has been selected for Economic Development Initiatives, Special Purpose Grants which are administered by HUD and targeted to support the revitalization effort in Silver Spring. Funds will be used for construction and financial incentives to attract other businesses to the area.

The county has incorporated several financing mechanisms to create successful public/private partnerships in commercial areas. The Facade Easement and Storefront Canopy programs are designed to encourage property owners and business operators in targeted areas to improve the physical condition and visual appearance of their buildings. The Facade Easement Program is geared toward more extensive exterior improvements, while the Storefront Canopy program is designed for improvements at a minimum cost. Staff also works with property owners and business operators to secure financing from private and public sources for improvements. Other financing tools are available through the County's Department of Economic Development, the Maryland Department of Business and Economic Development, the Maryland Department of Housing and Community Development, and the U.S. Small Business Administration.

Recently, areas where this leveraging approach has been highly successful include: the Kensington, Wheaton, and Silver Spring. The private sector has met the challenge to reinvest and has been an active partner in making positive changes.

The county's commercial revitalization effort:

Demonstrates the county's commitment to its older commercial areas;

Encourages the infusion of private investment;

Optimizes public investment;

Capitalizes on efforts of local business and civic organizations;

Builds on momentum;

Provides a catalyst for commitment from both the public and private arenas; and,

Leverages county resources.

This partnership arrangement is based on a team effort that assumes a benefit will be achieved when both parties (i.e., public and private) assume some of the risk. Business owners and investors understand this concept.

A summary of key, priority needs for Montgomery County is provided below:

Affordable Housing Without Supportive Services

Overall, a significantly high number of Montgomery County residents are burdened by disproportionately high housing costs. There continues to be a priority need for all types of affordable and accessible housing.

Affordability is defined as a rent level equal to or less than 30 percent of household income or a housing purchase price no more than 2.5 times household income.

Twenty point nine percent of all Montgomery County households reside in garden apartments. Only single-family homes account for more households. Garden apartments are primarily rental units, and are most affordable among the various types of housing in the county. Garden apartments also have the most diverse population. The African-American population accounts for 27% of garden apartment residents. This is twice the proportion for the county as a whole. Hispanics also represent a higher percentage of residents of garden apartments than their numbers for the entire county's population.

Only 10% of the Montgomery County household population lives in high-rises. However, this population, as opposed to residents of garden apartments, is twice as likely to be over the age of 65, and four times as likely to be older than 75. Residents of high-rises are overwhelmingly white, (62.6%), and over 50% of these residents have a bachelor's degree or higher. One person households comprise 55.8% of the households residing in high-rises. Over 58.7% are non-family households. Their median income is 68% of the median county income and 29% earn under \$30,000 per year. Sixty-eight point nine percent of high-rise households are renters, and 48.2 % pay in excess of 25% of their income for housing.

High-rise renter households face a greater threat of shelter poverty than any other group of residents in the county. While garden apartment households also pay a substantial portion of their income for housing, high-rise households are 20% more likely to face this situation.

Data on income limits is provided below:

The median household income in Montgomery County is \$94,500 as of March, 2007.

Family Size	Extremely Low (30% of median)	Low (50% of median)	Moderate (Section 8 Low)
1	\$19,850	\$33,100	\$42,000
2	\$22,700	\$37,800	\$48,000
3	\$25,500	\$42,550	\$54,000
4	\$28,350	\$47,250	\$60,000
5	\$30,600	\$51,050	\$64,800
6	\$32,900	\$54,800	\$69,600
7	\$35,150	\$58,600	\$74,400
8	\$37,400	\$62,350	\$79,200

Source: U.S. Department of Housing and Urban Development March, 2007

Affordable Housing With Supportive Services

In addition to the need for affordable housing for low-income county residents not in need of supportive services, there is the added need for housing that is affordable and accessible that meets the supportive services needs of persons with physical or developmental disabilities, those who are elderly, those who are victims of abuse, and those with chronic mental illness or addictions. Funding to nonprofit organizations to purchase properties for use as group homes is one way to assist in meeting this need, but additional strategies need to be pursued to address this priority need.

Shelter and Services for the Homeless

For the homeless or those threatened with homelessness, housing choices are not only limited by affordability considerations but also by the need for supportive services. Preventing

homelessness through early intervention, coordinated case management, and financial assistance were identified as priorities along with more long-term transitional and permanent housing and supportive services needed to help those already homeless. The need for year-round shelter and Asafe havens@ for those single homeless persons who are unwilling or are unable to assume the responsibilities inherent in participation in the county's system of social services continue to be priorities as well. In 2005, 33% of the families in the shelter system population were identified as suffering from chronic mental illness, substance abuse or co-occurring disabilities: 43% of the families reported domestic abuse. Seventy-three percent of the single adult shelter population was identified as suffering from chronic mental illness, substance abuse or co-occurring disabilities. Issues related to the special needs of the homeless recuperating after hospital discharge or those in need of health services like dental and vision care or with illnesses such as tuberculosis or HIV/AIDS were also identified as priorities. Public services that support families, especially those benefiting children and youth and those addressing needs of the ethnically and linguistically diverse immigrants to the county, are identified as priorities, as are services for the elderly.

An Interagency Housing Workgroup made up of public and private agency leaders has formed to study, develop and recommend policies to expand homelessness prevention efforts and housing options for households with incomes below 30% of the area median income (AMI) and who also have a disability, are homeless or are elderly. The workgroup determined that households with this very low income level and special needs require deep rental subsidies linked to appropriate housing supports and service coordination.

Non-Housing Community Development

Montgomery County also places a high priority on cultivating a positive business climate through incentives to businesses which will result in job creation and retention, including support through economic and commercial revitalization activities. Capital projects including acquisition, renovation, and construction of public facilities and infrastructure improvements are components of this overall effort. Public services that support expansion of economic opportunities for persons of low and moderate-income and those with special needs, including employment, employment training, and other supportive services are a high priority as well.

Fair Housing

Actions to affirmatively further housing choices for all county residents are coordinated through the County's Office of Human Rights (OHR) and spearheaded by the Interagency Fair Housing Coordinating Group, an entity with both public and private sector representation.

Montgomery County will continue to work to address impediments to fair housing. Comprehensively activities include:

Testing to identify, and address, discrimination in rental and sales housing and in lending practices, followed by enforcement when necessary;

Gathering information on the level of discrimination in the county through the use of surveys and data analysis;

Increasing general public awareness of fair housing laws through educational and outreach activities;

Providing training and technical assistance to housing professionals, including real estate agents, mortgage lenders, property managers, appraisers, builders, and others in the industry on ways to provide equal housing opportunities and prevent housing discrimination;

Supporting the expansion and retention of housing that is affordable and accessible to lower-income residents; and,

Continuing to identify and working to address impediments to housing choice through management and coordination of fair housing programs and activities and ongoing monitoring of legislation, policies and procedures.

Strategic Plan

The County's Capital Improvement and Public Services programs identify specific activities that will be undertaken to meet priority needs. These activities relate to goals, strategies and outcomes and reflect the vision and guiding principles of the county that are reproduced on the inside cover of this document.

Some of the activities identified in the Capital Improvement and Public Services programs are activities that will be undertaken with federal funds provided upon approval of this Consolidated Plan by the United States Department of Housing and Urban Development. The Consolidated Plan identifies and elaborates on the following strategies:

The Consolidated Plan discusses broad strategies for meeting the gaps identified between existing resources and identified needs. The Plan identifies and elaborates on the following strategies:

Target resources to achieve the broadest and most effective solutions to the problems of our most vulnerable residents, including the homeless and other populations with special needs;

Increase efficiency in service delivery for housing and community development-related programs;

Eliminate housing discrimination and barriers (legislative and other) to the provision of affordable, accessible housing;

Encourage self-sufficiency and long-term resolution of problems by focusing limited resources to address community concerns comprehensively at the neighborhood level;

Employ both public and private resources to preserve and create a variety of affordable housing options to meet the needs of the county's low and moderate income and special needs populations. Work to encourage accessibility in standard design;

Set realistic goals based on available resources and current economic and social conditions; and,

Continue economic development efforts to meet state initiatives and the current needs of businesses in the county.

The Annual Action Plan for Fiscal Year 2008 included herein notes the activities that will be funded with CDBG, HOME and ESG dollars and provides specific information about each.

Performance Measurement

For the past five years, Montgomery County has focused on reporting the performance of selected county programs and program elements using a "family" of measures -input, output, outcome, service quality, and efficiency measures. The *Montgomery Measures Up!* initiative is coordinated by the County's Office of Management and Budget. *Montgomery Measures Up!* is part of an ongoing, long-term effort to make performance measurement and a focus on results an integral part of the way Montgomery County allocates its resources, manages its programs, and reports its progress and achievements.

CONSOLIDATED ACTION PLAN PERFORMANCE MEASUREMENT OBJECTIVES

I. Suitable Living Environment

A. Outcome: Availability/Accessibility

Outcome Statements:

- *350 youth/children will have access to services that may include tutoring, mentoring and enrichment activities for the purpose of providing a suitable living environment.
- *335 elderly persons will have access to services which may include feeding programs, transportation, health services and job skills training for the purpose of providing a suitable living environment.
- *275 people with mental and developmental disabilities will have access to services that may include life and job skills development for the purpose of creating a suitable living environment.
- *3920 people will have access to social services that may include referrals for basic needs, healthcare, life and job skills training, and legal services for the purpose of providing a suitable living environment.
- *340 persons will have access to shelter and other support services for the homeless for the purpose of providing a suitable living environment.
- *2905 persons will have access to health care services for the purpose of providing a suitable living environment.

B. Outcome: Sustainability

- 4 communities/neighborhoods will have activities and services that may include streetscape enhancement, pedestrian links, and building and infrastructure improvements to create sustainability for the purpose of creating a suitable living environment.

II. Decent Housing

A. Outcome: Availability/Accessibility

- 65 households will receive housing rehabilitation loans and services that improve accessibility for the purpose of providing decent housing.
- 25 persons will have access to services that address impediments to fair housing for the purpose of providing decent housing.
- 10 new permanent supportive housing units for persons with special needs will be constructed or acquired that improve accessibility for the purpose of providing decent housing.

B. Outcome: Affordability

- 5 households will receive down payment and closing cost assistance for the purpose of creating decent affordable housing.
- 120 persons will receive rental and utility assistance for the purpose of creating decent affordable housing and prevent homelessness.
- 90 affordable housing units (Housing Production & Rehabilitation HOME and CHDO Housing Production and Public Housing Modernization) of housing will be created or preserved through work of CHDOs, public housing authority, and/or other private entities for the purpose of creating decent affordable housing for LMI households.

III. Economic Opportunity

A. Sustainability

- 9 businesses will be assisted with façade treatment or building rehabilitation and loans in to create sustainability in targeted areas for the purpose of creating economic opportunity.

IV. Administration

- Funds will be used to implement a variety of projects on both the county and city levels that have been initiated as a result of receiving CDBG, HOME and ESG money and leveraging it with County, State and private funds.

*** estimates will be revised based on negotiated scope of service**

Sources of Funds

Montgomery County has been successful in securing both state and other sources of federal funding to support its initiatives. The county has secured State Legacy grants, Federal Economic Development awards, and other sources of Federal funding to support homeless services. Requests for funds are pending for FY08.

In addition, nonprofit organizations that have been recommended for Community Development Block Grant monies for FY08 have also been recommended for local county funds to address a variety of needs.

Action Plan

DHCA is responsible for the submission of the Action Plan to HUD. A one-year Action Plan must be submitted to HUD no later than May 15, 2007. In preparation of this plan, DHCA worked closely with the Community Development Advisory Committee (CDAC) appointed by the County Executive. Additional information regarding citizen participation is found in the appendix to the Action Plan.

A public hearing was held in October 2006, before the CDAC to receive citizen input regarding needs to be addressed in the Plan and to review past performance. A summary of testimony from this hearing is on file at DHCA. Other hearings were held in April 2007, before the County Council to receive comments on the activities proposed to be undertaken prior to finalizing the Action Plan for submission to HUD. DHCA staff consulted with and collected data from numerous sources in preparing the annual Action Plan including staff in surrounding jurisdictions and at local and state levels.

**Community Development Block Grant (CDBG)
July 1, 2007 - June 30, 2008**

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

\$ 6,382,662

The county expects to receive \$5,282,662 in CDBG funds for Fiscal Year 2008, and with anticipated program income of \$1,100,000, an estimated total of \$6,382,662 in CDBG funds will be available for the following activities.

CAPITAL IMPROVEMENTS PROJECTS

Long Branch Pedestrian Linkages

\$ 590,000

This project will provide for a series of linkages in the Long Branch community that will connect the high-density residential areas with the Village Center and other key activity/service centers such as the Long Branch Library and the Long Branch Community Center. Significantly, a new ADA accessible bridge will provide a safe, pedestrian accessible link between the Community Center and the Library. It will also stabilize, protect, and enhance existing streamside areas and preserve the natural character of the stream valley and improve pedestrian and bike circulation and accessibility in the Long Branch Village Center by connecting single-family and multi-family housing to playgrounds, the library and the community center pool complex.

South Silver Spring Pedestrian Linkages

\$ 96,000

This project provides for a series of pedestrian links through large, awkwardly-shaped city blocks in South Silver Spring that will improve connections between existing businesses, parking and Montgomery College, and planned, new commercial development, and over 1,000 new housing units. The objective is to overcome the inconvenience and isolation created by the unusually large block pattern in the area. These links will be created partly on Parking Lot District property and partly on private land. .

Facility Planning

\$ 50,000

A total of \$50,000 will be used to conduct preliminary planning and design studies for a variety of projects dispersed throughout the County for possible inclusion in a future capital budget.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Commercial Façade Improvement Program **\$ 150,000**

A total of \$150,000 will be used to improve commercial building facades through loans to owners of older commercial properties in targeted areas to make needed improvements.

Commercial Sign and Canopy Program **\$ 150,000**

A total of \$150,000 will be used to share the cost of new signs and canopies through loans to owners of older commercial properties in targeted revitalization areas.

Comprehensive Neighborhood Assistance **\$ 74,000**

A total of \$74,000 will fund improvements in conjunction with other public and private initiatives in older, moderate-income neighborhoods to improve the quality of life and address residents' concerns.

Demolition **\$ 30,000**

A total of \$30,000 will be used to demolish condemned structures in the county.

Group Home Acquisition and Rehabilitation **\$ 320,000**

A total of \$320,000 will continue a program providing loans to purchase properties by nonprofit organizations for use as group homes, and to provide rehabilitation and accessibility improvements for nonprofit group homes.

Housing Rehabilitation and Production **\$ 1,455,630**

A total of \$1,455,630 will fund the County's ongoing rehabilitation program to enable low and moderate income owners of single-family homes and owners of multi-family properties occupied by low- and moderate-income tenants to eliminate code violations and make other necessary improvements, including energy conservation improvements. Some funds may also be used as financing to produce or preserve affordable housing in the county.

Multi-Family Acquisition and Rehabilitation **\$ 1,276,000**

A total of \$1,276,000 will fund the County's acquisition and, if necessary, related rehabilitation of multi-family properties to create or preserve affordable housing for low and moderate income tenants. This is an important tool that will enable the County to create and conserve affordable rental housing in an expensive housing market. Funding was created for this project by reducing and/or eliminating funding for Fenton Street Pedestrian Linkages, Long Branch Pedestrian Linkages and South Silver Spring Pedestrian Linkages.

Public Housing Modernization* **\$328,000**

A total of \$328,000 will be used for loans to the Housing Opportunities Commission (HOC) that will fund improvements to the County's aging public housing stock. *This category has been increased from last year's amount of \$78,000. HOC, through its long range planning process, has identified essential repairs that are needed at many of the 1,500 public housing units it manages. Therefore, an additional \$250,000 in Federal funds to pay for part of these repairs has been included.

Project Analysis and Engineering **\$ 104,000**
A total of \$104,000 will be used for project analysis and engineering studies associated with projects in revitalization areas.

NONPROFIT PROVIDERS

Asian American LEAD (Leadership, Empowerment and Development) **\$ 10,000**
“AALEAD Mentoring Program”

A total of \$10,000 in second year funding will be used to continue a one-on-one mentoring program for 60 low-income Asian American students in the Aspen Hill, Silver Spring, Wheaton and Glenmont areas. An estimated 60 people will benefit

Asian Pacific American Legal Resource Center (APLRC) **\$15,500**
“Asian American Domestic Violence Project”

A total of \$15,500 in first year funding will be used to hire a domestic violence attorney to begin providing legal services to victims at the APALRC’s satellite office in Wheaton. An estimated 50-100 people will benefit.

Carribean Help Center, Inc. **\$40,000**
“Education – Employment and Public Services”

A total of \$40,000 in third year funding will be used for a multi-faceted program offering various education/employment training and readiness programs, and social service referrals to enable people to become more self-sufficient. An estimated 1,200 people will benefit.

CASA of Maryland, Inc. **\$15,500**
“Direct Services Program – Social Services”

A total of \$15,500 in third year funding will be used for a program to provide wrap-around support services such as translations, immigration assistance, document notarization, new immigrant orientations, and social service support and referrals. An estimated 402 people will benefit.

Catholic Charities of the Archdiocese of Washington, M.C. Center **\$ 23,000**
“Housing Support”

A total of \$23,000 in first year funding will be used to provide housing support, including first month’s rent to low income individuals and families who are currently homeless; leaving emergency or transitional shelters; living in overcrowded conditions, or newcomers to the country without resources. An estimated 35 households will benefit

Chinese Culture & Community Service Center, Inc. (CCACC) **\$15,000**
“Adult English Literacy Program”

A total of \$15,000 in second year funding will be used to provide language and community services to low-income immigrants. The project’s goal is to promote and provide referrals to county agencies and other service providers.. An estimated 2,000 people will benefit.

College Tracks, Inc. **\$ 30,000**
“College Tracks at Wheaton High School”

A total of \$30,000 in first year funding will be used to provide services to low-income, juniors and seniors who are at risk of not attending college or technical school because they lack an adult

in their lives knowledgeable enough about the American higher education system to help them get there. An estimated 200 people will benefit.

Community Preservation and Development Corporation **\$ 10,000**
“The CPDC Gateway @ Park Montgomery”

A total of \$10,000 in second year funding will be used to address the need for quality; comprehensive out-of-school time programming that addresses the academic needs of 30 at-risk youths of the Park Montgomery affordable housing community. An estimated 30 youths will benefit.

Easter Seals Society **\$ 10,000**
“Easter Seals Family Friend Program”

A total of \$10,000 in third year funding will be used to cover the costs of the professional staff to provide 20 hours of pre-service and ongoing monthly training to volunteers, complete background checks, and coordinate and supervise matches between volunteers and families. An estimated 75 people will benefit.

Family Services Agency, Inc. **\$ 10,000**
“Health Families Montgomery – Strengthening Parent/Child Interaction”

A total of \$10,000 in first year funding will be used for Family Support Workers to be trained in the Keys to Interactive Parenting Scale (KIPS), a practical observational assessment of parenting behavior. The KIPS tool helps workers directly observe parental caregivers, identify parenting strategies with families and evaluate family progress. This project is proposed to benefit 200 youth and their families.

Gapbuster Learning Center **\$ 15,000**
“Leaders in Training”

A total of \$15,000 in second year funding will be used for program designed to enhance presentation skills, strengthen critical thinking skills, improve listening skills, strengthen investigative and research skills, provide leadership and mentoring opportunities, as well as provide job shadowing opportunities. An estimated 75-100 students will benefit.

Hearts and Homes for Youth **\$ 30,000**
“Work Ready”

A total of \$30,000 in first year funding will be used to provide expand the Work Ready program for Montgomery County youth ages 16-20 in congregate care, including those in independent living, in group homes, and in residential treatment facilities, to develop employability skills. An estimated 60 people will benefit.

Hospice Caring **\$ 40,000**
“Support Services to Hospice Appropriate Patients”

A total of \$40,000 in first year funding will be to provide direct and indirect support services to individuals and families dealing with terminal illnesses. An estimated 2,175 people will benefit.

Korean American Association of the State of Maryland **\$ 10,000**
“Social Service Coordinating Program”

A total of \$10,000 in third year funding will be used to provide translation and referrals to Korean residents and immigrants.

Korean American Senior Citizens Association of Maryland, Inc **\$15,000**
“Comprehensive Social Assistance Services”

A total of \$15,000 in second year funding will be used to provide information and referral services, counseling and social services, transportation and escort services, outreach/home visiting services and translation/interpretation services to elderly Korean-American immigrants. This project is expected to benefit 700 people.

Latino Economic Development Corporation **\$20,000**
“Small business development in Wheaton”

A total of \$20,000 in first year funding will be used to hire a Business Outreach Manager whose primary function is to establish direct, personal relationships with hundreds of businesses in the community. Marketing LEDC’s products and other small business development services to them and managing the work of the Wheaton Business Association. An estimated 300 people will benefit.

Liberty’s Promise **\$ 20,000**
“Enriching Immigrant Youth”

A total of \$20,000 in first year funding will be used to provide a program to offer internships and civic education to low income immigrant youth ages 15 to 21. Opportunities Plus is a program that places documented immigrants in internships with local businesses, government agencies, media and nonprofit organizations. Civics and Citizenship is a 30-hour, fun, interactive civic education course that focuses on how American democracy functions. An estimated 50 people will benefit.

Manna Food Center **\$5,000**
“Smart Sacks Backpack Program”

A total of \$5,000 in first year funding will be used to provide 25 children weekly backpacks full of kid-friendly, nutritious food so they have food to eat on the weekends when there are not school meals to fill their stomachs. An estimated 100 youths will benefit.

Maryland Disabilities Forum **\$ 10,000**
“Maryland Disabilities Forum Durable Medical Goods Exchange Program”

A total of \$10,000 in first year funding will be used to create a pilot/proof concept project in Montgomery County of a fully functional durable medical equipment web “trading” service for the county that can be expanded to serve all of Maryland in the future. An estimated 125 people will benefit.

Maryland Vietnamese Mutual Association **\$ 16,920**
“Golden Age Project for Seniors (GAPS)”

A total of \$16,920 in first year funding will be used for a program offering one-on-one services to seniors in the areas of translation, Medicare Part D enrollment, friendly visits, and to organize recreational activities for seniors to promote well-being. An estimated 100 people will benefit.

Ministries United Silver Spring Takoma Park, Inc. (MUSST) **\$34,000**
“Filling the Medical Prescription Gap is a MUSST”

A total of \$34,000 in first year funding will be used to assist eligible, low income, uninsured individuals purchase medically necessary prescription medications, provide information on prescription assistance programs, help with the application process, and input client data into MEDBACK proprietary database RxBridge. An estimated 150 people will benefit.

Montgomery County Coalition for the Homeless “Partnership for Permanent Housing” A total of \$10,000 in first year (\$10,000 in CDBG and \$15,000 in ESG) funding will be used to relocate families, couples without children, and single adults directly from homeless shelters to permanent, subsidized housing. An estimated 335 people will benefit.	\$ 10,000
Montgomery County Dept. of Health and Human Services “Breaking the Barriers of Silence” A total of \$38,875 in first year funding will be used to address comprehensive breast care services for uninsured/under-insured ethnic African women in collaboration with the African Women’s Cancer Awareness Association. An estimated 500 people will benefit.	\$ 38,875
Passion for Learning, Inc. “Passion for Learning” A total of \$25,000 in third year funding will be used to continue to develop and provide academic after school programs for at-risk Montgomery County Public School students, through business-community school partnerships. The project is expected to serve 85 youth and their families.	\$ 25,000
Shepherd’s Table, Inc. “Shepherd’s Table Eye Clinic” A total of \$31,000 in first year funding to support a professional eye clinic with all the necessary equipment to perform basic eye examinations, free of charge by a professional doctor of optometry and to provide free eye glasses to the poor and homeless. A total of 60 people are expected to benefit monthly.	\$ 31,000
Silver Spring Interfaith Housing Coalition (SSIHC) “Moving to Independence/Jobs for Housing” A total of \$36,000 in second year funding will be used to prepare newly arriving residents to enter jobs and careers that will enable them to earn more than the minimum wage. An estimated 40 people will benefit.	\$ 36,000
Spanish Catholic Center, Inc. “Pre-Apprenticeship Construction Program” A total of \$15,000 in third year funding will be used to continue and enhance its successful, positively-evaluated construction/pre-apprenticeship program. The overriding goal is to enable low-income Latinos with limited English proficiency to participate and succeed in the local labor market, with specific emphasis on the area’s burgeoning construction industry. A total of 36 people will benefit.	\$ 15,000
The People’s Community Baptist Church, Inc. (African American Health Program). “Breast Cancer Awareness and Prevention Outreach Project” A total of \$37,205 in first year funding will be used for outreach to African American women and women of African descent to identify women who are 40 and over, low income, uninsured and have not had a mammogram within the past two years. An estimated 400 women will benefit.	\$ 37,205

Threshold Services, Inc.

\$ 22,000

“Compeer of Montgomery County”

A total of \$22,000 in second year funding will be used to continue a Compeer program which pairs volunteers in one-on-one friendship relationships with people who are recovering from mental illness and co-occurring mental illness and substance abuse disorders. An estimated 111 people will benefit.

PROJECTS ADMINISTERED BY MUNICIPALITIES

CITY OF TAKOMA PARK

\$ 133,500

Manna Food Center Inc., \$ 9,300
“Takoma Park Distribution Site”

A total of \$9,300 will be used by the grantee to provide for weekly distribution of 320 boxes of food to low and moderate income residents of Franklin Apartment (7620 Maple Avenue) and backpacks of child friendly food to low and moderate income children attending local public elementary schools. A total of 780 people are expected to benefit.

Ministries United Silver Spring / Takoma Park (MUSST) \$ 10,700

A total of \$10,700 will be used to provide emergency financial assistance to low and moderating income households at risk of eviction and utility disconnection. A total of 15 households are expected to benefit.

Maple Avenue Streetscape Improvements (Phase II) \$ 38,500

A total of \$38,500 will be used by the City of Takoma Park to construct and install streetscape improvements designed to increase pedestrian safety and enhance the appearance of the residential neighborhood along Maple Avenue (Philadelphia Avenue to Sligo Creek Parkway).

Single Family Property Improvements \$ 50,000

A total of \$50,000 will be used by the City to assist single family property owners to address exterior code deficiencies. A total of 10 households are expected to benefit.

Commercial Façade & Site Improvements \$ 25,000

A total of \$25,000 will be used by the City of Takoma Park to assist businesses along the New Hampshire Avenue Corridor make façade and site improvements .

CITY OF ROCKVILLE

\$ 304,000

Community Ministries of Rockville \$ 20,000
“Latino Outreach Program”

A total of \$20,000 will be used to empower foreign born community members in Rockville and surrounding areas by helping them become U.S. citizens through the naturalization component of the Latino Outreach Program. This service will assist approximately 240 individuals.

Community Ministries of Rockville \$ 12,500
“Safe and Habitable Homes”

A total of \$12,500 will be used to allow low- and moderate-income seniors to remain safely and comfortably in their homes by providing code related repairs and minor structural modifications to improve accessibility. This service will be able to assist approximately 30 individuals.

Rockville Housing Enterprises **\$ 58,500**

A total of \$24,500 will be used by Rockville Housing Enterprises for a resident counselor for residents of, and \$34,000 for physical improvements to public housing units. The counselor will benefit approximately 103 families and approximately 76 units will receive physical improvements.

Top Banana Home Delivered Groceries **\$ 5,000**
“Home Delivered Groceries for Elderly, Disabled, and Low-Income Persons”

A total of \$5,000 will be used to provide home delivered groceries to persons who are homebound, specifically the elderly and people with disabilities. A total of 25 people will benefit.

Single-Family Rehabilitation **\$ 208,000**

A total of \$208,000 will be used to provide low-interest loans and grants to income eligible homeowners who need financial assistance in eliminating major code violations, and to correct drainage problems on private property in the Lincoln Park neighborhood. An estimated 25 families will benefit.

CONTINGENCY **\$ 150,000**

A total of \$100,000 will be available for both capital (\$100,000) and operating (\$50,000) expenditures to allow for emergency community development needs, including setting aside funds for ongoing CDBG projects which may require additional funding, and funding non-public service out-of-cycle requests.

ADMINISTRATION **\$1,226,532**

A total of \$1,226,532 will fund DHCA’s staff in planning, administration and monitoring of the CDBG program, including application review and staff support for a citizen's advisory committee, environmental reviews, contract preparation, payment processing and auditing, federal reporting and loan servicing.

HOME Investment Partnerships Program (HOME)
July 1, 2007 - June 30, 2008

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) \$ 2,863,177

The HOME grant is designed to increase housing choices for low-income households through rental and home ownership programs, in cooperation with public, private and nonprofit organizations. During the coming year, it is anticipated that the County will receive \$2,314,416, in funding for HOME projects, and together with anticipated program income of \$500,000, an estimated total of \$2,814,416 in HOME funds will be available. Funds will generally be made available in the form of low-interest loans and other subsidies, and units assisted may be both rental and owner-occupied. Additionally, as noted below, the County will also receive \$48,761 to support homeownership activities through the American Dream Downpayment Initiative.

PROJECTS ADMINISTERED BY COUNTY GOVERNMENT

Department of Housing and Community Affairs (DHCA)

Housing Production and Rehabilitation \$ 2,008,112

A total of \$2,008,112 will be used to create home ownership opportunities, new rental housing, or to rehabilitate existing housing (both rental and single-family homes). This housing will principally serve low-income households. DHCA will work with the private sector, non-profits and the Montgomery County Housing Opportunities Commission (HOC) in implementing this program. Additionally, if the opportunity is available, HOME funds will be used for group homes to serve special populations and for specialized housing programs.

Community Housing Development Organizations (CHDOs) \$ 347,162
Housing Production

A total of \$347,162 will fund the housing development activities of CHDOs. This represents the federally mandated fifteen percent of the HOME allocation. Up to 10 percent of this total (\$34,716) may be used for project-specific technical assistance, site control, and seed money loans. It is anticipated that one to three organizations will use these funds for acquisition, construction, or renovation of rental housing for persons with low-incomes.

American Dream Downpayment Initiative \$ 48,761

Under this new initiative, low-income families will be eligible to receive grants of up to \$10,000 to purchase single-family homes.

PROJECTS ADMINISTERED BY NONPROFITS AND OTHER PUBLIC AGENCIES

CHDO Operating Assistance \$ 115,700

Five percent of the HOME allocation (\$115,700) will be used to fund the administrative costs of qualified CHDOs in Montgomery County. Montgomery Housing Partnership (MHP) will receive \$86,450 and Housing Unlimited will receive \$29,250. By regulation, only CHDOs using HOME funds to own, sponsor, or develop affordable housing are eligible for operating support. This operating support cannot exceed 50 percent of a CHDO's operating budget in any fiscal year or \$50,000 annually, whichever is greater.

Rental Assistance **\$ 112,000**

Up to a total of \$112,000 may be used for a rental assistance program to match the State of Maryland's existing rental assistance program, which serves persons and households who are homeless or about to be homeless. Eligible households will be taken from a waiting list as required by HUD; the Montgomery County Housing Opportunities Commission (HOC) will operate this program.

Fair Housing Activities **\$ 37,000**

A total of \$37,000 will be used for fair housing activities, such as sales, rental and lending testing, education/outreach, training and research. Activities will be administered by the Office of Human Rights.

ADMINISTRATION **\$ 194,442**

A total of \$194,442 will be used to cover the county's expenses associated with operating the HOME Program. Combined administrative expenses represent 10.0% of the entitlement amount.

**Emergency Shelter Grant (ESG)
July 1, 2007 - June 30, 2008**

EMERGENCY SHELTER GRANT (ESG)

\$ 226,596

The ESG Program enables the county to provide housing and other services to persons who are homeless or in danger of becoming homeless. Although smaller than the CDBG or HOME programs, the ESG program serves an essential role in providing services to our neediest population, the homeless. The County expects to receive \$226,596 in the coming year for ESG projects.

PROJECTS ADMINISTERED BY DHCA

Homeless Prevention Assistance

\$ 67,000

A total of \$67,000 will be used to provide homeless prevention assistance, including payments for rent and utility arrearages necessary to prevent eviction, as well as security deposits or first month's rent to enable persons who are homeless or at-risk of homelessness to secure housing. An estimated 80 people will benefit.

Shelter Renovation/Maintenance

\$ 88,266

A total of \$88,270 will be used to renovate and/or maintain shelters serving the homeless in Montgomery County. An estimated 200 people will benefit.

NONPROFIT PROVIDERS

**Montgomery County Coalition for the Homeless
"Partnership for Permanent Housing"**

\$ 15,000

A total of \$15,000 (and an additional \$10,000 in CDBG) will be used to relocate families, couples without children, and single adults directly from homeless shelters to permanent, subsidized housing. An estimated 335 people will benefit.

**Community Ministry of Montgomery County, Inc. (CMMC)
"Supported Employment Program"**

\$ 45,000

A total of \$45,000 will be used to support an additional full-time Vocational Counselor to enroll up to 80 homeless clients in a Supported Employment Program to assist them to achieve independence through meaningful employment and to meet employer's needs by providing long-term, qualified, dependable employees.. A total of 80 people will benefit.

ADMINISTRATION

\$ 11,330

A total of \$11,330 will be used to cover the county's expenses associated with operating the ESG Program. Combined administrative expenses represent 5.0% of the entitlement amount.

If you have any questions regarding this report please call 240-777-3674.

Written statements may be submitted until 5:00 p.m., May 14, 2007 and should be addressed to:

**Richard Y. Nelson Jr, Director
Department of Housing & Community Affairs
100 Maryland Avenue, Fourth Floor
Rockville, Maryland 20850
(240) 777-3600**